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## Leap in U.S. debt hits taxpayers with 12% more red ink

By Dennis Cauchon, USA TODAY

Taxpayers are on the hook for an extra \$55,000 a household to cover rising federal commitments made just in the past year for retirement benefits, the national debt and other government promises, a USA TODAY analysis shows.

The 12% rise in red ink in 2008 stems from an explosion of federal borrowing during the recession, plus an aging population driving up the costs of Medicare and Social Security.

That's the biggest leap in the long-term burden on taxpayers since a Medicare prescription drug benefit was added in 2003.

The latest increase raises federal obligations to a record \$546,668 per household in 2008, according to the USA TODAY analysis. That's quadruple what the average U.S. household owes for all mortgages, car loans, credit cards and other debt combined.

"We have a huge implicit mortgage on every household in America — except, unlike a real mortgage, it's not backed up by a house," says David Walker, former U.S. comptroller general, the government's top auditor.

USA TODAY used federal data to compute all government liabilities, from Treasury bonds to Medicare to military pensions.

Bottom line: The government took on \$6.8 trillion in new obligations in 2008, pushing the total owed to a record \$63.8 trillion.

The numbers measure what's needed today — set aside in a lump sum, earning interest — to pay benefits that won't be covered by future taxes.

Congress can reduce or increase the burden by changing laws that determine taxes and benefits for programs such as Medicare and Social Security.

Rep. Jim Cooper, D-Tenn., says exploding debt has focused attention on the government's financial challenges. "More and more, people are worried about our fiscal future," he says.

Key federal obligations:

- **Social Security.** It will grow by 1 million to 2 million beneficiaries a year from 2008 through 2032, up from 500,000 a year in the 1990s, its actuaries say. Average benefit: \$12,089 in 2008.
- **Medicare.** More than 1 million a year will enroll starting in 2011 when the first Baby Boomer turns 65. Average 2008 benefit: \$11,018.
- **Retirement programs.** Congress has not set aside money to pay military and civil servant pensions or health care for retirees. These unfunded obligations have increased an average of \$300 billion a year since 2003 and now stand at \$5.3 trillion.

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